

Introduced by Senator Johnston

February 7, 2000

An act to amend Section 25000 of, and to add Chapter 3 (commencing with Section 25300) to Part 13.5 of Division 1 of Title 1 of, the Education Code, relating to teachers' health benefits.

LEGISLATIVE COUNSEL'S DIGEST

SB 1435, as introduced, Johnston. Teachers' health benefits: Medicare premiums.

Existing law requires the State Teachers' Retirement System to develop a health care benefits program for members of the Defined Benefit Program and related persons, subject to appropriation of funds and further legislative authorization, as specified.

This bill would delete that requirement and provide that development of any health care benefits programs shall be subject to appropriation of funds and further legislative authorization, as specified.

Under existing law, specified monthly allowances are paid to retired members of the Defined Benefit Program of the Teachers' Retirement Plan.

This bill would increase those monthly allowances by the amount of the monthly premium for Medicare Part A, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25000 of the Education Code is
2 amended to read:

3 25000. (a) ~~The State Teachers' Retirement System~~
4 ~~shall develop a program to provide health care benefits~~
5 ~~for members, beneficiaries, children, and dependent~~
6 ~~parents.~~

7 (b) ~~All costs incurred by the system to develop health~~
8 ~~care benefit programs pursuant to this part shall be paid~~
9 ~~by allocations from the Teachers' Retirement Fund as~~
10 ~~appropriated for that purpose.~~

11 (c) ~~The~~
12 (b) Any health care benefits program developed by
13 the system pursuant to this part shall not be implemented
14 by the system unless specifically authorized by a statute
15 enacted by the Legislature.

16 SEC. 2. Chapter 3 (commencing with Section 25300)
17 is added to Part 13.5 of Division 1 of Title 1 of the
18 Education Code, to read:

19
20 CHAPTER 3. MEDICARE PREMIUMS
21

22 25300. (a) The allowance payable to a retired
23 member of the Defined Benefit Program pursuant to
24 Part 13 (commencing with Section 22000) shall be
25 increased by the amount of the member's premium for
26 Medicare Part A. This amount shall be adjusted annually
27 by the Teachers' Retirement Board to reflect changes
28 imposed in the premium by the federal Health Care
29 Financing Administration.

30 (b) This section shall only apply to a member who is at
31 least 65 years of age, enrolled in Medicare Part B, and not
32 eligible for Medicare Part A without payment of a
33 premium.

34 (c) The amount described in subdivision (a) shall be
35 deducted from the monthly disbursement to the member
36 and submitted to the federal Health Care Financing
37 Administration to pay the member's premium for
38 Medicare Part A, unless the member elects, on a form



1 prescribed by the system and duly executed and filed
2 with the system, to have the amount paid directly to the
3 member.

4 (d) The increased allowance authorized by this
5 section is not vested and shall not be included in the base
6 allowance for purposes of calculating the annual
7 improvement defined by Sections 22140 and 22141 or for
8 purposes of calculating supplemental payments pursuant
9 to Sections 24412, 24415, and 24417.

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